Irregularities in Export of Rice

1622. SHRI PRITHVIRAJ D. CHAVAN : Will the Minister of COMMERCE be pleased to state :

(a) whether the Government have received complaints about the irregularities committed in the export of rice from 1993 onwards;

(b) if so, the extent to which the loss suffered by the country on this account;

(c) whether the Government instituted any enquiry against all these officers and firms involved in this fraud; and

(d) if so, the details thereof and the action taken against the culprits?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH) : (a) and (b) 18 complaints relating to export of sub-standard rice/delay in shipments/non-shipment of consignments have been received in the Trade Disputes Cell of the Directorate General of Foreign Trade since 1993. It is not possible to estimate the profit/loss suffered as the shipments are made by exporters as per the terms and conditions of the contract entered in to by them with the overseas buyers.

(c) and (d) As per the Export-Import Policy, export of Basmati and Non-Basmati (fine and superfine varieties) are permitted without quantity and price restriction. The exports are undertaken by the exporters. The mechanism to deal with the complaints through the Regional Standing Committees on Quality Complaints is as under :-

"The complaints of foreign buyers alleging supply of sub-standard quality goods against Indian exporters received in the Cell are referred for investigation and settlement to Regional Standing Committees on Quality Complaints set up for the purpose at Ahmedabad, Banaglore, Bombay, Calcutta, Cochin, Delhi, Hyderabad, Kanpur, Ludhiana and Madras. If the disputes are settled to the satisfaction of foreign buyers through concllliation and/or if the Regional Committee after considering the facts of the case, decides that there is no fault on the part of Indian exporter/manufacturer and/or that the complaint is not genuine, the case is dropped. In cases where the Committees fails to settle the dispute amicably and concllliation does not take place and the Committee finds that the fault lies with the Indian exporters or that they are not cooperating, such cases are decided by the Committee to be dealt with under the penal and adjudication provisions of the FTDR Act/rules applicable and the cases are then referred for adjudication."

All the complaints have been subjected to the above procedure. 3 cases have been settled/closed, 3 cases are subjudice and 1 firm and their proprietor/directors have been debarred from receiving any export licences and/or making export of goods In any way for a period of two years w.e.f. 16.04.1996.

Customres and Excise Duty

1623. SHRI UTTAM SINGH PAWAR :

SHRI G. VENKATSWAMY :

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have received any request from the Federation of Indian Textile Engineering Industry regarding anomoly in the customs duty structure and reduction in excise duty;

(b) if so, the details thereof; and

(c) the action taken by the Government thereon ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) to (c) Representations were received from Federation of Indian Textile Engineering Industry (FITEI) regarding customs and excies duty structure on textile machinery. FITEI had represented that customs duty on raw materials like steel, plastic, synthetic rubber etc. required to manufacture textile machines may be reduced from 30%/40% to 20% to bring it on par with customs duty on textile machines. Similarly, customs duty on parts required to manufacture specified textile machines, which attract customs duty of 10%, may be reduced to 5%. Further, excise duty on textile machines, especially weaving and knitting machines, may be reduced from 13% to 8%.

The representations received from FITEI were considered. Basic customs duty on parts of specified textile machines was reduced to 10% to bring it on par with basic customs duty on complete specified textile machines.

Government has not found it feasible to reduce customs duty on raw-materials required to manufacture textile machines and to reduce excise duty on textile machines.

Excise Scam

1624. SHRI B.L. SHANKAR : Will the Minister of FINANCE be pleased to state :

(a) whether attention of the Government has been drawn to the news-item captioned "400 crore excise scam unfolding" appearing in the Indian Express dated July 6, 1997;

(b) if so, the details thereof and reasons for this scam; and

(c) the reaction of the Government and the action taken or proposed to be taken by the Government to punish the culprits and guilty officials and to recover the money?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) Yes, Sir.

(b) Based on the investigations carried out by the Directorate General of Anti-Evasion, a show-cause notice has been issued in August' 96 to M/s Shree Chandra Tobacco Ltd. and M/s G.T.C. Ltd. for alleged evasion of Central Excise duty of Rs. 18.76 crores. In addition, cases of evasion have been detected against M/s G.T.C. and their franchise units during 1995 and show-cause notices demanding Central Excise duty of Rs. 364.86 crores were issued to these units. Evasion is a clandestine activity and the assessees indulge in such activities for unlawful gains.

(c) The Government is committed to take stern action against the evaders and any official who are found to have colluded. The evaders are liable for paying the duty, mandatory penalty and interest on the quantum of duty found to be evaded in terms of the provisions of Central Excise Act, 1944 and they are also liable for prosecution. In all, one Assistant Commissioner, 19 Superintendents and 25 Inspectors have been placed under suspension. Regarding recovery, proceedings can be initiated only after the show-cause notices are adjudicated.

Banks Strike

1625. SHRI SUBRAHMANYAM NELAVALA : Will the Minister of FINANCE be pleased to state:

(a) whether the strikes in Banks all over the country have been increasing for the last two years;

(b) whether these bank strikes put heavy loss to the exchequer;

(c) whether frequent strikes by the Banks have thrown banking operations out of gear;

(d) if so, whether the Government propose to ban bank strikes in future;

(e) if so, whether any such legislation is being considered by the Government; and

(f) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) to (f) Information is being collected from the banks and will be laid on the Table of the house.

Tea Estate Under TTCI in Jalpaiguri

1626. PROF. JITENDRA NATH DAS : Will the Minister of COMMERCE be pleased to state :

(a) whether the Looksan Tea Estate under TTCI in Jalpaiguri, West Bengal has not been provided capital grant since handing over it to TTCI in order to improve the condition of the garden and increase the productivity;

(b) if so, the reasons therefor; and

(c) the steps taken by the Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH) : (a) and (b) Government has not disbursed capital grants to Tea Trading Corporation of India for development of any of the tea gardens owned by the Corporation. These gardens are however, eligible for assistance under various developmental schemes of the Tea Board and these have been availed of by TTCI for Looksan Tea Estate.

(c) In view of persistent losses suffered by TTCI's Garden Division, the Government had decided to dispose of all the five tea gardens under TTCI. The sale process could not be finalised due to legal constraints and financial difficulties of the prospective buyers. The Government is seized of the position and is exploring various options.

Janata Cloth Scheme

1627. SHRI RANJIB BISWAL : Will the Minister of TEXTILES be pleased to state :

(a) the names of the States where centrally sponsored hank yarn and Janata Cloth Schemes are being launched;

(b) the amount of allocation made to those States and the amount of subsidy granted/provided under those schemes during the last three years;

(c) the extent to which the main objectives of those schemes have been achieved in those States; and

(d) the steps taken to effectively implement those schemes?

THE MINISTER OF TEXTILES (SHRI R. L. JALAPPA): (a) and (b) Hank Yarn Price Subsidy Scheme was in operaiton during the period 1995-96.

the Janata Cloth Scheme is in operation during the year 1997-98 in eight States namely, Assam, Bihar, Karnataka, Maharashtra, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal.

Under these schemes, statewise financial targets are not allocated. Statement of releases made under these schemes during the last three year is attached.

(c) Janata Cloth Scheme has provided sustained employment to handloom weavers and also switched over some of the weavers from production of Janata Cloth to Non-Janata Cloth.

Hank Yarn Price Subsidy Scheme helped in mitigating the hardship caused due to steep hike in cotton yarn prices.

(d) Implementation of these Schemes has been reviewed, from time to time, in the meeting held with the officials of the State Governments and by the State Governments at its level.